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(iv) In the case of a public applicant with an approved project which involves the displacement of persons or businesses on or after January 2, 1971, whose real property has or will be taken, the applicant will comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646) and the applicable regulations issued thereunder (45 CFR part 15);

(v) Sufficient funds will be available to meet any portion of the cost of acquiring and/or modernizing the building not borne by the grant under this part;

(vi) Sufficient funds will be available after acquisition and/or modernization of the building for effective use of the building for the purposes of the project;

(vii) The applicable requirements of the Flood Disaster Protection Act of 1973 have been met;

(8) Such other information as the Secretary may reasonably require.

(b) *Requirement for acquisition grants.* Except for a grant solely for amortization of principal and payment of interest on an existing loan, an application for a grant for a project which includes the acquisition of an existing building must include, in addition to the requirements of paragraph (a) of this section, evidence satisfactory to the Secretary that the applicant has explored other alternatives to the proposed acquisition (such as leasing facilities or acquiring other facilities in the project's catchment area) and that the proposed acquisition constitutes the soundest alternative from a financial and program standpoint.

(c) *Requirements for modernization grants.* In addition to the requirements of paragraph (a) of this section, an application for a grant for a project which includes modernization of an existing building must include the following:

(1) Plans and specifications for the proposed modernization which conform to the standards specified in §51c.503(a)(7)(iii);

(2) Reasonable assurance that any laborer or mechanic employed by any

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contractor or subcontractor in the performance of work on the modernization project will be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor under the Davis-Bacon Act (40 U.S.C. 276a *et seq.*) and will receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of 8 hours in any calendar day; and

(3) Copies of any construction and materials contracts already entered into for the proposed modernization.

[41 FR 57000, Dec. 30, 1976, as amended at 43 FR 5352, Feb. 7, 1978]

§51c.504 Project elements.

(a) *General requirements.* A grantee which has received a grant under section 330 of the Act for a project which includes the acquisition and/or modernization of an existing building must:

(1) *Assurances.* Comply with the assurances provided pursuant to this subpart.

(2) *Approval of estimated cost.* Not enter into any contract for the acquisition and/or modernization funded under this subpart where the cost of such acquisition and/or modernization exceeds the estimates in the application, without the prior approval of the Secretary.

(3) *Non-default.* Make every effort to prevent any default on any loan secured by the building and, in the event of a default, promptly notify the Secretary of the default and make every effort on a timely basis to cure the default.

(b) *Requirements for acquisition grants.* In addition to the requirements of paragraph (a) of this section, a grantee which has received a grant under section 330 of the Act for a project which includes the acquisition of an existing building must:

(1) *Bona-fide sale.* Acquire or, in the case of a grant solely for amortization of principal and payment of interest on an existing loan, have acquired the existing building pursuant to a bona-fide sale involving an actual cost to the applicant and resulting in additional or improved facilities for the purposes of the project.

(2) *Standards of construction and equipment.* Except in the case of a grant

solely for amortization of principal and payment of interest on an existing loan, obtain a determination by the Secretary that the facility conforms (or upon completion of any necessary alteration and renovation or modernization will conform) to the standards set forth in § 51c.503(a)(7)(iii) of this subpart before entering into a final or unconditional contract for the acquisition. Where the Secretary finds that exceptions to or modifications of any such standards would be consistent with the purposes of the Act and of the program, he may authorize such exceptions or modifications.

(3) *Financing.* Where the grantee will obtain a loan secured by the building in order to acquire the building, obtain such financing at the lowest current rate prevailing in the area for comparable loans on comparable facilities.

(c) *Requirements for modernization grants.* In addition to the requirements of paragraph (a) of this section, a grantee which has received a grant under section 330 of the Act for a project which includes the modernization of an existing building must:

(1) *Costs in excess of approved costs.* Finance all costs in excess of the estimated costs approved in the application and submit to the Secretary for prior approval any changes that substantially alter the scope of the function, utilities, or safety of the facility.

(2) *Competitive bids.* (i) Obtain the approval of the Secretary before the project is advertised or placed on the market for bidding; such approval must include a determination by the Secretary that the final plans and specifications conform to the standards set forth in § 51c.503(a)(7)(iii) of these regulations.

(ii) Except as otherwise provided by State or local law, contract for construction (including the purchase and installation of built-in equipment) on a lump sum fixed-price basis, and award contracts on the basis of competitive bidding obtained by public advertising with award of the contracts to the lowest responsive and responsible bidders. The provision for exceptions based on State and local law shall not be invoked to give local contractors or suppliers a percentage preference over non-local contractors bidding for the

same contract. Such practices are precluded by this paragraph.

(3) *Construction contracts.* (i) Include the following conditions and provisions in all construction contracts for the modernization project:

(A) The provisions set forth in "DHHS Requirements for Federally Assisted Construction Contracts Regarding Labor Standards and Equal Employment Opportunities," Form DHHS 514 (rev. 7/76) (issued by the Office of Grants Administration Policy, U.S. Department of Health and Human Services) pertaining to the Davis-Bacon Act, the Contract Work Hours Standards Act, and the Copeland Act (Anti-Kickback) Regulations, except in the case of contracts in the amount of \$2,000 or less; and pertaining to Executive Order 11246, 30 FR 12319 (September 24, 1965), as amended, relating to nondiscrimination in construction contract employment, except in the case of contracts in the amount of \$10,000 or less;

(B) That the contractor shall furnish performance and payment bonds each of which shall be in the full amount of the contract price, and shall maintain, during the life of the contract, adequate fire, workmen's compensation, public liability, and property damage insurance: *Provided, however,* That in the case of a State or local unit of government which enters into a construction contract of less than \$100,000, State or local provisions with respect to performance and payment bonds shall be deemed to meet the requirements of this paragraph; and

(C) That the Secretary shall have access at all reasonable times to work wherever it is in preparation or progress, and the contractor shall provide proper facilities for such access and inspection.

(ii) *Executive Order 11246.* Comply with the applicable requirements of Executive Order 11246, 30 FR 12319 (September 24, 1965) as amended, relating to nondiscrimination in construction contract employment, and the applicable rules, regulations, and procedures prescribed pursuant thereto.

(4) *Modernization supervision.* Provide and maintain competent and adequate

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architectural or engineering supervision and inspection at the modernization site to insure that the completed work conforms with the plans and specifications.

(5) *Completion responsibility.* Complete the modernization in accordance with the grant application and the approved plans and specifications.

(6) *Progress reports.* Furnish progress reports and such other information concerning the modernization as the Secretary may require.

(d) The Secretary may at any time approve exceptions to the provisions of this section where he finds that such exceptions are not inconsistent with section 330 of the Act, other requirements of law, or the purposes of the program.

[41 FR 57000, Dec. 30, 1976, as amended at 43 FR 5352, Feb. 7, 1978]

§ 51c.505 Determination of cost.

The cost of acquisition and/or modernization of existing buildings for which funds may be granted under this part will be determined by the Secretary, utilizing such documentation submitted by the applicant as the Secretary may prescribe (including the reports of such real estate appraisers as the Secretary may approve) and other relevant factors, taking into consideration only that portion of the existing building necessary for the operation of the approved project.

[41 FR 5700, Dec. 30, 1976]

§ 51c.506 Use of grant funds.

Grant funds may be used to amortize the principal of or pay interest on a loan or mortgage on an existing building acquired under this part, including a building purchased by a grantee prior to the promulgation of this part, but only if the building is being used for the purposes of section 330 and complies with the applicable provisions of this subpart and only to the extent the Secretary finds such principal amounts and interest rates to be reasonable.

[41 FR 5700, Dec. 30, 1976]

§ 51c.507 Facility which has previously received Federal grant.

No grant for the acquisition of a facility which has previously received a

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Federal grant for construction, acquisition, or equipment shall serve either to reduce or restrict the liability of the applicant or any other transferor or transferee from any obligation of accountability imposed by the Federal Government by reason of such prior grant.

[41 FR 5700, Dec. 30, 1976]

PART 51d—MENTAL HEALTH AND SUBSTANCE ABUSE EMERGENCY RESPONSE PROCEDURES

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AUTHORITY: 42 U.S.C. 290aa(m).

SOURCE: 66 FR 51877, Oct. 11, 2001, unless otherwise noted.

§ 51d.1 To what does this subpart apply?

The regulations in this subpart apply to grants that enable public entities to respond to needs in local communities created by mental health or substance abuse emergencies, as authorized under section 501(m) of the Public Health Service Act (42 U.S.C. 290aa(m)).

§ 51d.2 Definitions.

As used in this part:

Federally recognized Indian Tribal government means the governing body of any Indian tribe, band, nation, or other organized group or community, including any Native village as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians;